



## **Office of Democratic Leader Nancy Pelosi**

### **Democrats Continue to Fight for Education** ***Kildee Motion to Instruct on Highest Possible Funding for Pell Grants***

**November 19, 2003**

Today, Rep. Kildee will offer a motion to instruct conferees on H.R. 2660, Labor/HHS/Education Appropriations bill to insist on the highest funding levels possible for Pell Grants. The House GOP Labor/HHS/Education Appropriations bill freezes the maximum Pell Grant award, and slashes funding for Pell Grants and that is a key reason why every single Democrat, on July 10, voted NO on final passage of the GOP bill. Now, as the conferees work on a Labor/HHS/Education conference report, Democrats remain united in calling for more funding for critically important higher education programs that are the key to success of our children and our economy. Democrats know that to truly improve education, we must make college more affordable.

The following are points on this important motion.

- **To improve education, we must make college affordable by providing more grants and low-cost college loans for the next generation of teachers, scientists, and entrepreneurs.** Democrats are working to make college more affordable by increasing access to college loans and grants, and providing states and colleges with incentives to control skyrocketing tuition prices. That is because we know higher education is essential in order to be successful in today's global economy, and important for all Americans' economic security. Over a lifetime, a college graduate can expect to earn \$1 million more than a high school graduate.
- **Cost of College is Soaring, Leaving Students Deeper in Debt after College.** Middle-income families are hard pressed to keep up with rising college costs. In 2002, tuition at public colleges and universities increased by nearly 14%, the largest increase in a decade, and this is likely to worsen with the crisis in state budgets. (College Board) Recent reports show that state colleges and universities across the nation imposed their "steepest tuition and fee increases in a decade" - some as high as 40 percent. To meet these costs about 64% of all students now borrow to finance college costs, and typical student loan debt upon graduation has nearly doubled to \$17,000.

- **While the Cost of College is Skyrocketing, Republicans Freeze Pell Grants for the First Time in a Decade.** In the face of skyrocketing college tuitions, Republicans voted to freeze federal Pell Grants at last year's level for the first time in a decade, rather than providing students with reasonable means to pay for a college education. As a result, these grants would finance only about 40 percent of the cost of a public university - compared to 84 percent when the Pell Grant program was established. The House-passed GOP Labor-HHS-Education bill also slashes the Administration's Pell Grant budget request by \$465 million.
- **More than One-Third of Students Rely on Pell Grants to Finance their College Education.** Federal Pell Grants provide about five million (or one-third of all) undergraduates students with grants to help them finance a college education.
- **Republicans Freeze all Student Financial Aid for the First Time in Six Years & Permit New Regulations that Increase Costs of College.** On top of freezing funding for Pell Grants, House Republicans voted to freeze funding for all campus-based programs: College Work Study, Student Education Opportunity Grants, and Perkins Loans, and deny Pell Grants to 84,000 students by permitting Bush Administration financial aid regulations to proceed. They are also working to impose price controls on colleges that would penalize students, by cutting financial aid, when tuitions rise too fast.
- **Democrats are Fighting to Make College More Affordable.** Democrats propose to make college more affordable by increasing access to low cost college loans and grants and working to stop rising tuition prices. During debate on the Labor-HHS-Education appropriations, Democrats, led by Rep. Obey, sought to offer an amendment to make college more affordable by raising the maximum Pell Grant to \$4,200 and increasing Pell Grant funding by 5% more than the GOP bill. However, Republicans would not even allow a vote on this amendment. Democrats also support legislation to double the maximum Pell Grant and allow students to refinance high-cost loans. To help students and their families cope with college tuition hikes, Democrats also recently introduced the [\*College Affordability and Accountability Act\*](#) to ensure that states cannot cut higher education funds and to provide schools with incentives to keep tuition prices low.